

FY22 Preliminary Budget – Updated 4-5-2021

Revenue

State of Alaska revenue projections for FY22 were created using a flat \$5,930 as the Base Student Allocation (BSA) in the State of Alaska Foundation Funding Formula.

The student enrollment projection of 7,861 for FY22, listed in the Five-Year Enrollment Projection document, was used in the Foundation Formula to calculate estimated state revenue.

State revenues include \$71,118,602 for Foundation Funding, \$272,307 for Quality Schools funding, and on-behalf payments of \$10,832,981 for a total State funding of \$82,223,890.

Administration has budgeted KPB support in the amount of \$48,000,000. In-kind services are budgeted at the same level as FY21 of \$11,362,732 and \$36,637,268 as appropriation. This is \$2,000,000 under the FY21 level.

Other budgeted revenues include e-rate, interest earnings, and miscellaneous for a total of \$1,180,000.

Total General Fund Revenue available for FY21 is estimated to be \$131,403,890.

Expenditures

The FY22 expenditure budget was developed using the same staffing formulas as FY21. Expenditure projections for salaries include step increases for current employees. Adjustments were made to healthcare based on the current number of employees that have coverage, opted out and recommendations for contribution rates by the District's Health Care broker. Salaries and benefits comprise approximately 80% of total expenditures.

Adjustments to instructional and custodial budgets were made based on a formula that includes projected enrollment and building size. Utilities were budgeted using a three-year average.

Included in the primary budget is a transfer to Food Service in the amount of \$550,000. The total of all expenditures and transfers for the FY22 Preliminary General Fund budget is \$134,081,112.

Use of Fund Balance

Revenue from all sources for the FY22 Preliminary General Fund Budget totals \$131,403,890. With expenditures and transfers totaling \$134,081,112, a projected deficit of (\$2,677,222) will be covered by the unassigned fund balance.

After designating the use of \$5,791,384 of fund balance for FY21, the amount of unassigned fund balance available at the end of the FY20 was \$1,677,222. Due to savings in substitute salaries/benefits and travel, the use of fund balance for FY21 is anticipated to be approximately \$4,791,384. The \$1,000,000 difference will increase the FY21 year ending unassigned fund balance to approximately \$2,677,222, which will be used entirely in FY22.

Special Revenue Funds - COVID-19 Related Grant Funds

1. Coronavirus Aid, Recovery and Economic Security (CARES) act
 - a. Elementary and Secondary School Emergency Relief (ESSER) fund
 - i. \$2,295,953
 - ii. March 2020 – June 30, 2021
2. Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act
 - a. Elementary and Secondary School Emergency Relief (ESSER II) fund
 - i. \$9,080,405
 - ii. March 2020 – June 30, 2023
3. American Rescue Plan
 - a. Elementary and Secondary School Emergency Relief (ESSER III) fund
 - i. Amount unknown at this time.
 - ii. July 1, 2021 – June 30, 202(?)

The first round of ESSER (CARES) funds will be fully expended by the end of FY21.

The planned use of the ESSER II funds will be to retain the 48.30 Certificated FTE and 9.70 Non-Certificated FTE that was reduced from the General Fund in relation to FY21 staffing levels based on the projected enrollment. In addition, 28 Certificated FTE will be paid for out of ESSER II funds due to the reduced funding from the Kenai Peninsula Borough. In addition, the Elementary school counselors and the student success liaisons will be funded, from the ESSER Funds.

The ESSER III funds will be used to address learning loss, continue staffing into FY23 and other district identified needs based on the amount of funding received. 20% of the funds shall be reserved to address learning loss through the implementation of evidence-based interventions, such as summer learning or summer enrichment, extended day, and comprehensive afterschool programs.